COMPLAINT

JURISDICTION AND VENUE

- 2. This Court has subject-matter jurisdiction over SIE's claims of copyright infringement and violation of the Digital Millennium Copyright Act pursuant to 17 U.S.C. § 501, 17 U.S.C. § 1201, 28 U.S.C. § 1331, and 28 U.S.C. § 1338(a).
- 3. This Court has personal jurisdiction over Defendant because he resides in California and because he is doing business in California and has marketed, offered to sell, sold, and distributed infringing and unlawful products and services in California. Venue is proper in this District under 28 U.S.C. §§ 1391(b) and (c) because, on information and belief, Defendant is a resident of this District and a substantial part of the events giving rise to SIE's claims occurred in this District.

PARTIES

- 4. SIE is a California limited liability company with its principal place of business in San Mateo, California. SIE markets and sells the PlayStation®4 computer entertainment console system ("PS4") and PS4-compatible video games, among other products and services.
- 5. Defendant is an individual who has marketed, sold, and distributed "jailbroken" PS4 consoles that: (a) contain "pirated" (unauthorized) copies of PS4-compatible video games, and (b) were produced and designed for purposes of, and/or were marketed by Defendant for use in, circumventing technological protection measures that, in the ordinary course, effectively ensure that PS4 systems will not play "pirated" (unauthorized) copies of PS4-compatible video games. Defendant also offers "PS3/4" jailbreaking services on his website at http://foxhoundoutfitters.wixsite.com/ps3-jailbreak-mods.

FACTS COMMON TO ALL CLAIMS

I. SIE, PS4 CONSOLES, AND PS4 VIDEO GAMES

A. SIE and PS4

6. SIE is a global leader in interactive computer entertainment. Chief among the products SIE sells today are PS4 systems and PS4-compatible video games. The PS4 system features a computer hardware console and an associated handheld controller that consumers

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can use to, among other things, play video games. PS4 has enjoyed great success throughout the United States and the world. Since PS4 launched in 2013, over 80 million PS4 consoles have been sold worldwide. Hundreds of PS4-compatible video games are available to play on the PS4 console. Authorized PS4-compatible video games typically sell for prices ranging between about \$20.00 and \$60.00 per game.

B. SIE's copyrights in PS4-compatible video games

- 7. SIE and its Tokyo-based sister company Sony Interactive Entertainment Inc. ("SIEI") each has produced, published, and distributed numerous PS4-compatible video games. All of these video games consist of or include large amounts of creative audiovisual material, stories, characters, and other matter that are wholly original to SIE and SIEI and are subject to copyright. The U.S. Copyright Office has issued Copyright Registration Numbers to SIE and SIEI for PS4 video games, including for the following game titles: (a) God of War (U.S. Copyright Registration No. PA000215052, registered to SIE); (b) Helldivers (U.S. Copyright Registration No. PA0002117608, registered to SIE); and (c) Everybody's Golf (U.S. Copyright Registration No. PA0002111899, registered to SIEI). SIE owns the copyrights in God of War and Helldivers, and it is the exclusive licensee of the copyrights in Everybody's Golf in the United States, under a license from SIEI, and it is authorized by SIEI to bring suit for infringement of those copyrights. (Collectively, the PS4-compatible video games for which SIE owns, or is the exclusive licensee in the United States of, all copyright rights are referred to herein as "First-Party PS4 games"). SIE and SIEI have made, and continue to make, substantial investments in the design, development, testing, manufacturing, marketing and distribution of their First-Party PS4 games.
- 8. In addition to publishing First-Party PS4 games, SIE has authorized and licensed certain third-party companies to publish PS4-compatible video games ("Third-Party PS4 games"). These third-party publishers have published hundreds of PS4-compatible video games. SIE is an authorized distributor in the United States of Third-Party PS4 games.

All First-Party PS4 games and Third-Party PS4 games include copyrighted

9.

Program Code"). The PS Program Code is an original work of authorship constituting copyrightable subject matter. The U.S. Copyright Office has issued Copyright Registration No. TX0008589872 for the PS Program Code to SIEI, and SIEI has granted SIE the exclusive right to use, license, and bring suit for infringement of, SIEI's copyrights in the PS Program Code in the United States.

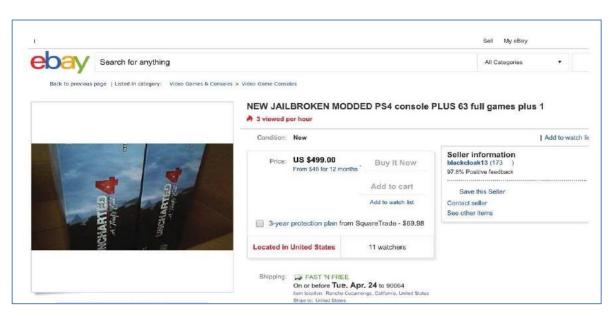
computer code known as PlayStation[®] Branding and Notices Software Program Code ("PS

C. SIE's Technological Protection Measures

- 10. Software piracy—the unauthorized copying and use of software—is an industry wide problem that is estimated to cost the software industry millions of dollars in lost revenue every year.
- 11. To guard against piracy of PS4 video game software, PS4 consoles are designed and manufactured to include certain technological protection measures ("TPMs") embodied in PS4 system software. In the ordinary course of operation, these TPMs effectively prevent a PS4 from playing any unauthorized copy of a video game. These TPMs can be analogized to a gatekeeper: the gatekeeper allows authorized copies of video games to pass, and thus be played, but blocks all unauthorized copies of video games from passing and being played.

II. DEFENDANT'S UNLAWFUL CONDUCT

- 12. Defendant has marketed, sold, and distributed "jailbroken" (a/k/a "modded") PS4 consoles that (a) contain, on their internal hard drives, unauthorized digital copies of PS4 First-Party games and Third-Party games; and (b) are primarily designed or produced for the purpose of, and/or were marketed by Defendant for use in, circumventing the PS4 system TPMs that, in the ordinary course of operation, effectively prevent a PS4 from playing pirated copies of PS4-compatible video games.
- 13. Specifically, in April 2018, Defendant—under the eBay handle "blackcloak13"—listed for sale on eBay a jailbroken PS4 console that Defendant advertised as a "NEW JAILBROKEN MODDED PS4 console PLUS 63 full games plus 1." A screenshot of Defendant's eBay listing in reproduced below:



In his eBay listing, Defendant stated that the "Jailbroken Modded PS4 console" is "FULLY JAILBROKEN/MODDED," "COMES WITH MY CUSTOM PRINTED DETAILED INSTRUCTIONS," will enable the purchaser "TO PLAY ANY GAME YOU WANT," comes with "65 GAMES INSTALLED TO GET YOU STARTED," and "IT'S TIME TO ENJOY ALL GAMES FREE." In addition, Defendant highlighted his website at "http://foxhoundoutfitters.wixsite.com/ps3-jailbreak-mods," through which he advertised he can be contacted for help with jailbroken consoles.

14. SIE, through an agent, purchased the jailbroken PS4 console described above from Defendant via eBay in April 2018. A package containing the jailbroken PS4 console was delivered to SIE's agent. It bears the following return name and address: "Eric Scales, [REDACTED], RCH Cucamonga, CA 91730." The hard drive of this PS4 console contains unauthorized digital copies of over 60 PS4 video games, including First-Party PS4 games Everybody's Golf and Helldivers, and numerous Third-Party PS4 games such as EA SPORTS UFC® 2; FlatOut 4: Total Insanity; Frozen Free Fall: Snowball Fight; and Guns, Gore & Canolli. On information and belief, it was Defendant who copied these unauthorized video games onto the PS4's hard drive. Defendant was not authorized by either SIE or SIEI to do so. Included in the box in which the jailbroken PS4 console was delivered was a set of

instructions that provides, among other things, directions on how to install additional unauthorized PS4 video games onto the hard drive of the console, as well as a website address to an instructional video on "how to run fake pkg games!" and a website address from which additional unauthorized PS4 video games are available for download.

- 15. Through inspection, SIE has confirmed that the PS4 console sold by Defendant has been modified to enable the user to access and run certain "exploit" software code that, when run on the PS4, circumvents technological protection measures that, in the ordinary course of operation, prevent the console from playing unauthorized copies of video games. The exploit enables the PS4 console sold by Defendant to play the 60+ unauthorized copies of video games that are contained on its hard drive.
- 16. In June 2018, Defendant—under the handle "blackcloak13"—listed another jailbroken PS4 console for sale on eBay. In his eBay listing, Defendant advertised this console as a "PlayStation4" with "5.05 firmware plus mod menus plus games." SIE, through an agent, purchased this PS4 console from Defendant via eBay. A package containing the console was delivered to SIE's agent. It bears the following return name and address: "Eric Scales, [REDACTED], Rancho Cucamonga, CA 91730." Through inspection, SIE has confirmed that the hard drive of the PS4 console contains unauthorized digital copies of numerous PS4 video games, including the First-Party PS4 game *God of War*, and Third-Party PS4 games *Call of Duty: WWII; Guns, Gore & Cannoli; Need for Speed Payback; Sniper Elite* 4; *Sniper Ghost Warrior 3*; and *The Surge*. On information and belief, it was Defendant who copied these unauthorized copies of video games onto the PS4's hard drive. Defendant was not authorized by either SIE or SIEI to do so.
- 17. The second PS4 console also came with written instructions from Defendant that enable the user to access and run certain "exploit" software code that, when run on the PS4, circumvents technological protection measures that, in the ordinary course of operation, prevent the console from playing unauthorized copies of video games, such as the unauthorized video games on its hard drive. The exploit enables the PS4 console sold by

Defendant to play the unauthorized copies of video games that are contained on its hard drive. Defendant's written instructions also identify a website address for an instructional video on "how to run fake pkg games!" and a website address from which additional unauthorized copies of PS4 video games are available for download.

- 18. Before and after June 2018 the seller named "blackclock 13"—the eBay handle used by Defendant—offered for sale on eBay other PS4 consoles with dozens of games installed on them. For instance, an eBay listing in July 2018 offered a PS4 console with 5.05 firmware and numerous installed First-Party PS4 games, including *God of War* and *Helldivers*, as well as numerous Third-Party PS4 games, including *Call of Duty: WWII* and *Sniper Elite 4*. On information and belief, SIE alleges that the PS4-compatible video games that were installed onto this and other PS4 consoles offered by Defendant were unauthorized copies of games that Defendant copied onto the console's hard drive without SIE' or SIEI's permission.
- 19. In addition to selling jailbroken PS4s on eBay, Defendant advertises his products and services, including "PS3/4 jailbreaks," on a website, http://foxhoundoutfitters.wixsite.com/ps3-jailbreak-mods. On his website, Defendant touts that he has been "jailbreaking and modding game console[s] since 2006" and advises potential customers that "you can purchase from me on eBay from seller blackcloak13":



20. In the "INCLUDED WITH SERVICE" portion of Defendant's website, Defendant offers the services shown below:



21. On Defendant's website, where he uses the traditional "pirate" symbol of a skull and crossbones shown below, Defendant states that purchasing his services or products will enable the purchaser to "be able to Download and copy any game" and to "STOP BUYING GAMES":



FIRST CLAIM FOR RELIEF

(Infringement of Copyrights in First-Party Games – Copyright Act, 17 U.S.C. § 501 et seq.)

- 22. SIE incorporates, as if fully set forth herein, each and every allegation of Paragraphs 1 through 21, above.
- 23. SIE is the owner of, or is the exclusive licensee in the United States under, all rights, title, and interest in the copyrights in the First-Party PS4 games contained on PS4 consoles that Defendant offered and/or sold and distributed as described above—including *God of War* (Registration No. PA000215052); *Everybody's Golf* (Registration No. PA0002111899); and *Helldivers* (Registration No. PA00021176608).
- 24. Defendant has infringed SIE's copyrights in First Party PS4 games, including *God of War, Everybody's Golf,* and *Helldivers*, by copying unauthorized First Party PS4 games onto the hard drive of PS4 consoles without SIE's authorization, and distributing the unauthorized copies of First Party PS4 games on PS4 consoles. On information and belief, Defendant's actions were knowing, deliberate, willful and in complete disregard of SIE's rights.
- 25. Defendant's conduct set forth above has damaged SIE, in an amount to be proven at trial.
- 26. On information and belief, Defendant will continue to infringe SIE's copyrights in First-Party PS4 games by copying games without authorization and/or distributing unauthorized games, thereby damaging SIE, unless enjoined by the Court.

SECOND CLAIM FOR RELIEF

(Infringement of Copyrights in PS Program Code – Copyright Act, 17 U.S.C. § 501 et seq.)

- 27. SIE incorporates, as if fully set forth herein, each and every allegation of Paragraphs 1 through 26, above.
- 28. SIE is the exclusive licensee in the United States of all rights, title, and interest in the copyrights in the PS Program Code (Copyright Registration No. TX0008589872). The PS Program Code is contained in all PS4-compatible video games, including all First-Party

PS4 games, including *God of War; Everybody's Golf;* and *Helldivers*. The PS Program Code is also contained in all Third-Party PS4 games, including *EA Sports UFC*[®]2; *FlatOut 4: Total Insanity; Frozen Free Fall: Snowball Fight; Guns, Gore & Cannoli; Need for Speed Payback; Sniper Elite 4, Sniper Ghost Warrior 3; The Surge;* and *Call of Duty WWII*.

- 29. Defendant has infringed SIE's copyrights in the PS Program Code by copying unauthorized First-Party PS4 games and Third-Party PS4 games (which include the PS Program Code) onto the hard drive of PS4 consoles without SIE's authorization and distributing the unauthorized copies of such games on PS4 consoles. SIE is informed and believes and thereupon alleges that Defendant's actions were knowing, deliberate, willful, and in complete disregard of SIE's rights.
- 30. Defendant's conduct set forth above has damaged SIE, in an amount to be proven at trial.
- 31. On information and belief, Defendant will continue to infringe SIE's copyrights in the Program Code by copying games containing the Program Code without authorization and/or distributing unauthorized copies of such games, thereby damaging SIE, unless enjoined by the Court.

THIRD CLAIM FOR RELIEF

(Violation of the Digital Millennium Copyright Act, 17 U.S.C. § 1201, et seq.)

- 32. SIE incorporates, as if fully set forth herein, each and every allegation of Paragraphs 1 through 31, above.
- 33. Defendant violated SIE's rights under 17 U.S.C. § 1201(b) by manufacturing, offering to the public, providing, or otherwise trafficking in circumvention devices and services, including the "blackcloak13" PS4 consoles and the "jailbreaking" or "modding" services offered on Defendant's website. These circumvention devices and services are primarily designed and produced for the purpose of circumventing protection afforded by technological measures that effectively protect SIE's rights as a copyright holder in audiovisual and computer software program works, including the PS4-compatible video

games and the PS Program Code. These circumvention devices and services are produced, marketed and distributed by Defendant with knowledge of their use in circumventing protection afforded by TPMs that, in the ordinary course of operation, protect SIE's exclusive copyright rights in PS4-compatible video games and the PS Program Code, or portions thereof, by, among other things, preventing the playing or displaying of unauthorized PS4-compatible video games, and by preventing the reproduction and distribution of unauthorized PS4-compatible video games.

- 34. SIE is informed and believes and thereupon alleges that Defendant's actions were knowing, deliberate, willful and in complete disregard of SIE's rights.
- 35. As a direct and proximate result of Defendant's conduct set forth above, SIE has been injured and damaged in an amount to be proven.
- 36. The above actions carried out by Defendant constitute violations of SIE's rights under 17 U.S.C. § 1201(b). Defendant has violated and, on information and belief, will continue to violate SIE's rights under 17 U.S.C. § 1201(b) unless enjoined by the Court.

PRAYER FOR RELIEF

WHEREFORE, SIE prays as follows:

- 1. That judgment be entered in favor of SIE on all claims for relief;
- 2. That the Court permanently enjoin Defendant and his agents, servants, employees, successor and assigns, and all other persons acting in concert with Defendant from:
 - a. marketing, offering, selling, transferring, advertising, promoting, developing, manufacturing, importing, providing or otherwise trafficking in any products that infringe or contribute to the infringement of SIE's intellectual property rights, including its copyrights in PS4-compatible video games and the PS Program Code, or to participate in or facilitate any such activity;
 - b. directly or indirectly infringing, or enabling or contributing to infringement of, any copyright that SIE owns or is the exclusive

- licensee of, including copyrights in First-Party PS4 games and in the PS Program Code;
- c. marketing, offering, selling, transferring, advertising, promoting, developing, manufacturing, importing, providing or otherwise trafficking in via eBay, the website

 http://foxhoundoutfitters.wixsite.com/ps3-jailbreak-mods or any other means or channels –any products or services produced or designed to circumvent the technological measures that SIE employs to protect its exclusive copyright rights in or to PS4-compatible video games and the PS Program Code, including, but not limited to, (1) "jailbroken" or "modded" PS4 consoles, and (2) jailbreaking or "modding" services;
- d. infringing SIE's rights under the Copyright Act, 17 U.S.C. § 501 *et seq.*; and
- e. violating SIE's rights under the Digital Millennium Copyright Act, 17
 U.S.C. §§ 1201 1205.
- 3. That judgment be entered in favor of SIE and against Defendant for all damages sustained by SIE as a result of Defendant's copyright infringement under the Copyright Act;
- 4. That judgment be entered in favor of SIE and against Defendant for all profits received by Defendant due to Defendant's copyright infringement under the Copyright Act;
- 5. That judgment be entered in favor of SIE and against Defendant for statutory damages based on Defendant's copyright infringement under the Copyright Act;
- 6. That judgment be entered in favor of SIE and against Defendant for all damages sustained by SIE as a result of Defendant's violation of the Digital Millennium Copyright Act, 17 U.S.C. §§ 1201 1205;

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- 7. That judgment be entered in favor of SIE and against Defendant for all profits received by Defendant due to Defendant's violation of the Digital Millennium Copyright Act, 17 U.S.C. §§ 1201 1205;
- That judgment be entered in favor of SIE and against Defendant for statutory damages based on Defendant's violation of the Digital Millennium Copyright Act, 17 U.S.C. §§ 1201 – 1205;
- 9. That Defendant be required to deliver to SIE, to be held for destruction or other disposition at the conclusion of this litigation, any and all computer hardware and peripherals containing infringing material, and all circumvention devices, including any jailbroken or "modded" PS4 console or hard drives, and all unauthorized PS4-compatible video game software contained on such circumvention devices.
- 10. For costs of suit incurred herein;
- 11. For reasonable attorneys' fees to the extent permitted by law; and
- 12. For such other and further relief as this Court deems just and proper.

Dated: October 5, 2018 LEE LAW OFFICES

/s/Monika Pleyer Lee

Monika Pleyer Lee Attorneys for Plaintiff Sony Interactive Entertainment LLC